

**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE
EAC BUDGET ESTIMATES FOR REVENUE AND EXPENDITURE
FOR THE FY 2020/2021**

**CLERK'S CHAMBERS
EAC HEADQUARTERS
EALA WING, 3RD FLOOR
ARUSHA – TANZANIA**

30THSEPTEMBER 2020

1.0 INTRODUCTION

The East African Legislative Assembly (EALA) is one of the Organs of the East African Community established under Article 9 of the Treaty for the Establishment of East African Community. The Treaty bestows upon the Assembly three cardinal functions: legislation, oversight and representation. In the exercise of its legislative and oversight function, the Assembly, among others, scrutinises, debates and passes the Budget of the Community. The Assembly largely exercises its legislative and oversight functions through its Committees. In particular, the Committee on General Purpose is mandated to, among others, scrutinize of the Budget of the Community before it is approved by the Assembly.

Articles 49(2)(b) and 132(2)and(5) of the Treaty for the Establishment of the East African Community enjoin the Assembly to debate and approve the Budget of the East African Community. The Council of Ministers is enjoined by Articles 14(e) and 132(2) and (5) of the Treaty to prepare and submit the same budget to the Assembly for approval. Section 4(1) of the East African Community Act, 2008 provides that the Council shall, not later than the 30th day of April in each financial year, submit and lay before the Assembly the budget of the Community for the next financial year.

On the 12th day of August 2020, Chairperson, Council of Ministers laid on table the EAC Budget Estimates for the FY 2020/21. In accordance with Section 4(2) of the Budget Act, the Rt. Hon. Speaker referred the EAC Budget Estimates for the FY 2020/2021 to the Committee on General Purpose for consideration. Further to this, on the 25th day of September 2020, the Chairperson, Council of Ministers presented to the House the Budget Speech for the FY 2020/2021.

Pursuant to Section 4(3) of the EAC Budget Act, Rule 81 (c), (e), and (g) and Annex 5 (f) of the Rules of procedure of the Assembly, the Committee on General Purpose considered the Annual Estimates of Revenue and Expenditure of the East African Community for the FY 2020/2021. The Committee hereby presents its report.

2.0 METHODOLOGY

During the consideration of the Budget, the Committee:

- a) reviewed the EAC Budget Estimates for the FY 2020/2021, and the EAC Budget Speech for the FY 2020/21;
- b) interacted with the Council of Ministers, Secretary General, Heads of Organs and Institutions;
- c) scrutinized, among others, the following documents:
 - (i) The Policy Statement on the EAC Annual Budget Estimates for the FY 2020/21;
 - (ii) The EAC Budget MTEF for FY 2020/21;
 - (iii) The EAC Budget Summaries for FY 2020/21;
 - (iv) The EAC Financial Statements for FY 2020/21;

- (v) The EAC Annual Operational Plan for FY 2020/21;
- (vi) The EAC Pre-Budget Conference Report for FY 2020/21;
- (vii) The 41st Extra-Ordinary Council of Ministers Report (extract);
- (viii) The EAC Appropriation Bill, 2020.

3.0 ACHIVEMENTS DURING THE FY 2019/2020

3.1 Priority programmes in FY 2019/2020

According to the Secretary General, the following were the priority programs/activities planned for the Financial Year 2019/2020:

- i. Consolidation of the Single Customs Territory (SCT) and promotion of intra and extra-EAC trade and export competitiveness.
- ii. Development of regional infrastructure.
- iii. Effective implementation of the Common Market Protocol (enhancement of free movement of persons, labour, capital and implementation of commitments on other areas of cooperation as envisaged under the Common Market).
- iv. Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation to stimulate economic development.
- v. Implementation of the Roadmap towards the EAC Monetary Union.
- vi. Promotion of regional peace, security and good governance, and Constitutional Making for the EAC Political Confederation.
- vii. Institutional transformation, focusing on implementation of the Institutional Review recommendations, sustainable financing mechanism and improvement of performance management at the EAC Organs and Institutions.
- viii. Cross cutting priority areas.

3.2 Key achievements during Financial Year 2019/20

The Secretary General further informed the Committee that the following were the key achievements during the Financial Year 2019/2020 in line with the priority areas outlined above:-

- i. Implementation of the **Single Customs Territory** progressed well. The region has fully rolled out intra-region transfers on imports and direct exports and is working towards the roll out of the transit regime. The Regional Authorized Economic Operator (AEO) program facilitating clearance of goods for compliant traders was further enhanced with a total number of 115 Regional AEOs.
- ii. Operationalization of **One Stop Border Posts** has progressed well. In addition to the 12 operational OSBP across Partner States, in September 2019, H.E. John

- Pombe Joseph Magufuli, President of the United Republic of Tanzania and H.E Edgar Lungu, President of the Republic of Zambia officially launched in the Tunduma One Stop Border Post (OSBP) located on the Tanzania/Zambia border.
- iii. The EAC Secretariat carried out a capacity building programme towards the integration of the Republic of South Sudan into the EAC Customs Union. The Republic of South Sudan is expected to make a formal submission to the Council to consider extending the grace period to start implementing the EAC Customs Union.
 - iv. The Council resolved fourteen (14) NTBs out of eighteen (18) that were outstanding as of February 2019.
 - v. Trade performance among the EAC Partner States demonstrated an increasing trend. According to the EAC Trade Report 2019, Intra-EAC trade recorded an increase of around 7%, rising from exports of US\$2.9 billion in 2017 to US\$3.1 billion in 2018.
 - vi. There was remarkable progress towards conclusion of the Agreement for the establishment of the ***African Continental Free Trade Area (AfCFTA)*** as already 54 out of 55 AU Member States have signed the Agreement. The Agreement entered into force on *30th May 2019*, having so far been ratified by 28 AU Member States. The Republic of Kenya, Republic of Rwanda and Republic of Uganda have ratified the Agreement.
 - vii. In respect to ***COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) Agreement***, so far twenty three (23) Tripartite Member States have signed the Agreement. These include all EAC Partner States except the Republic of South Sudan. The TFTA Agreement will enter into force once ratified by fourteen (14) out of the total of twenty seven (27) Tripartite Member States.
 - viii. Concerning ***Free Movement on Trade in Services***, the EAC Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) adopted the revised EAC Schedules of Specific Commitments in the seven priority services sectors, namely *business, communication, distribution, education, finance, tourism and transport services*.
 - ix. As regards the ***Issuance of the EAC e-Passport***, the Republic of Rwanda commenced the issuance of the EA e-Passport on 1st July, 2019, thus joining the Republic of Kenya, United Republic of Tanzania, Republic of Burundi and Republic of Uganda, which had already started issuing the e-Passport in September 2017, January 2018, May 2018 and December 2018 respectively.
 - x. There was ***re-drafting Annex VII of the EAC Common Market Protocol*** to provide for a legal framework for the development of Mutual Recognition

Agreements (MRAs), which will be considered by the Sectoral Council of Ministers on Legal and Judicial Affairs.

- xi. The Community successfully held the **4th Edition of the EAC Arts and Culture Festival-Jumuiya ya Afrika Mashariki Utamaduni Festival (JAMAFEST)**, in Dar Es Salaam Tanzania in September, 2019 under the theme “*Cultural Diversity: A Key Driver to Regional Integration, Economic Growth and Promotion of Tourism*”.
- xii. In response to the outbreak of COVID-19 in the region, the joint meeting of Ministers responsible for Health and EAC Affairs in March 2020 directed all Partner States to institute measures towards containment of the spread of the disease.
- xiii. With financial support from the Alliance for Green Revolution (AGRA), the EAC Secretariat commissioned the Agriculture Joint Sector Review (JSR) assessment. The draft EAC Joint Sector Review assessment report was considered by the 13th Meeting of the Sectoral Council of Agriculture and Food Security held in September 2019.
- xiv. With the support of the World Bank, an **EAC Statistics Development and Harmonization Regional Project** was finalized and become operational in 2019.
- xv. On the Constitution-making process for the EAC Political Confederation, the Constitutional Experts developed all documentations required to undertake stakeholders’ consultations at both Partner State and regional levels.
- xvi. The EAC and the UN concluded long-term cooperation arrangements through an MoU signed with the UN under Secretary-General for Political and Peace Building Affairs on 5th March 2020. The MoU defines core areas of common interest that will be jointly implemented in the areas of Governance, Peace and Security.
- xvii. The four-year EU supported Maritime Security Project was concluded with intensive trainings provided to investigations agencies on General and Forensic Investigations; and Criminal Analysis covering 150 officers from the region.
- xviii. The negotiations for the 4th APSA support project were concluded with a commitment of Euro 1,950,000 covering 38 months with effect from 1st March 2020.
- xix. A financing arrangement was concluded with the EU for funding support towards combatting transnational and cross-border security threats at a total sum of Euro 10 Million covering a 44 Month period as from 1st January 2020.

- xx. The EAC Secretariat continued to seek support from Development Partners. Financing agreements totaling \$170,244,372 were signed.

3.3 Budget performance in FY 2019/2020

The total budget for the Fiscal Year 2019/2020 was USD 99,770.716 plus Supplementary budget amounting to USD 4,977,475. The total Partner States contribution and expenditure by Organs and Institutions up to against the approved budget for the same period was as follows:

Table 1A: Status of Contributions by Partner States towards the EAC Main Budget (EAC Secretariat, EALA, EACJ, LVBC, EAKC, EASTECO, EAHRC & EACA) - Amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTI ON DUE 2020/21	CONTRIBUTION PAID 2020/21		TOTAL OUTSTANDING (EAC Main Budget)
1. Republic of Burundi	6,515,023	7,816,053	-	0%	14,331,076
2. Republic of Kenya	0	7,816,053	-	0%	7,816,054
3. Republic of Rwanda	0	7,816,053	976,947	12%	6,839,106
4. Republic of South Sudan	24,626,514	7,816,053	-	0%	32,442,567
5. United Republic of Tanzania	1,509	7,816,053	-	0%	7,817,562
6. Republic of Uganda	-	7,816,053	2,679,222	34%	5,136,831
Total	31,143,045	46,896,320	3,656,169	8%	74,383,196

B. INTER UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA), Amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2020/21	CONTRIBUTION PAID 2020/21		TOTAL OUTSTANDING (IUCEA Budget)
1. Republic of Burundi	5,957,591	661,650		0%	6,619,241
2. Republic of Kenya	(1,975)	661,650		0%	659,675
3. Republic of Rwanda	2,785,519	661,650		0%	3,447,169
4. Republic of South Sudan	2,832,103	661,650		0%	3,493,753
5. United Republic of Tanzania	11,509	661,650		0%	673,159
6. Republic of Uganda	973,876	661,650	174,578	26%	1,460,948
Total	12,558,623	3,969,900	174,578	4%	16,353,945

C. LAKE VICTORIA FISHERIES ORGANISATION (LVFO), Amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2020/21	CONTRIBUTION PAID 2020/21		TOTAL OUTSTANDING (LVFO Budget)
1. Republic of Burundi	(3)	486,485	-	0%	486,481
2. Republic of Kenya	-	486,485	-	0%	486,485
3. Republic of South Sudan	345,083	-	-		345,083
4. United Republic of Tanzania ⁽⁶⁾	3,777	486,485	-	0%	490,261
5. Republic of Uganda	-	486,485	132,952	27%	353,533

PARTNER STATE	ARREARS	CONTRIBUTIO N DUE 2020/21	CONTRIBUTION PAID 2020/21		TOTAL OUTSTANDING (LVFO Budget)
Total	348,856	1,945,938	132,952	7%	2,161,843

BUDGET PERFORMANCE REVIEW

Table 2: Summary for the Budget Performance per Organ / Institution from July to December 2019

#	Organ/Inst' n Name	Funding Source	Approved Budget for the FY	Amount disbursed in USD	Expendit ure to 31/12/19	Budget still available	Budge t utilise d in %	Comme nt
1	EAC- Secretariat	Partner States	19,758,410	11,425,264	9,039,565	10,718,846	47%	(1)
		Developm ent Partners	37,015,539	7,424,902	6,239,313	30,776,226	15%	(2)
2	East African Court of Justice	Partner States	4,100,391	2,518,657	1,829,023	2,271,368	45%	(1)
		Developm ent Partners	124,850	58,000	0	124,850	0%	(2)
3	East African Legislative Assembly	Partner States	18,973,845	11,661,636	9,323,095	9,650,746	49%	(1)
		Developm ent Partners	-	-	-	-	-	
4	Lake Victoria Basin Commissio n	Partner States	3,792,675	1,739,393	1,248,611	2,544,064	33%	(1)
		Developm ent Partners	10,527,158	1,061,921	679,578	9,847,580	6%	(2)

#	Organ/Inst'n Name	Funding Source	Approved Budget for the FY	Amount disbursed in USD	Expenditure to 31/12/19	Budget still available	Budget utilised in %	Comment
5	Inter-University Council for East Africa	Partner States	5,026,978	2,563,154	1,931,461	3,095,517	43%	(1)
		Development Partners	4,738,158	2,971,407	2,060,489	2,677,668	37%	(2)
6	Lake Victoria Fisheries Organization	Partner States	2,060,845	2,047,326	523,190	1,537,655	25%	(1)
		Development Partners	2,000,300	759,160	366,188	1,634,112	18%	(2)
7	East African Science and Technology Commission	Partner States	1,639,738	1,001,063	603,616	1,036,122	31%	(1)
		Development Partners	344,901	137,632	78,110	266,791	23%	(2)
8	East African Health Kiswahili Commission	Partner States	1,364,788	742,157	372,424	992,364	27%	(1)
		Development Partners	109,987	0	-	109,987	0%	(2)
9	East African Health Research Commission	Partner States	1,872,687	1,109,631	699,178	1,173,509	37%	(1)
		Development Partners	2,189,783	0	0	2,189,783	0%	(2)
10	East African	Partner States	648,901	398,586	173,326	475,575	26%	(3)

#	Organ/Inst'n Name	Funding Source	Approved Budget for the FY	Amount disbursed in USD	Expenditure to 31/12/19	Budget still available	Budget utilised in %	Comment
	Competition Authority	Development Partners	138,070	59,470	20,984	117,086	15%	(2)
	TOTAL – EAC		116,428,004	47 679 359	35,167,167	81,260,833	30%	

Table 3: PARTNER STATES' TOTAL OUTSTANDING OBLIGATIONS (Summation of Tables A, B and C)

PARTNER STATE	Outstanding (overpaid) Arrears	Outstanding contributions for Current FY'20/21	Overall Outstanding (overpaid) Contribution (EAC Main Budget + IUCEA + LVFO)
1. Republic of Burundi	12,472,610	8,964,188	21,436,798
2. Republic of Kenya	(1,975)	8,964,188	8,962,213
3. Republic of Rwanda	2,785,519	7,500,756	10,286,275
4. Republic of South Sudan	27,803,700	8,477,703	36,281,403
5. United Republic of Tanzania	16,794	8,964,188	8,980,982
6. Republic of Uganda	973,876	5,977,436	6,951,312
Total outstanding	44,050,525	48,848,459	92,898,983

4.0 BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2020/2021

The Council of Ministers requests the Assembly to approve a total budget of **USD 97, 669,708** for FY 2020/21 as compared to **USD 111,450,529** for FY 2019/2020 as shown in the table below.

Table 4: Summary of the Proposed EAC-Budget Financial Year 2020/2021

PLANNED EXPENDITURE								
Organ/ Institution	FY 2019/2020			FY 2020/2021			Change	
Description	Partner States	Development Partners	Total	Partner States	Development Partners	Total	USD	%
EAC-Secretariat	19,125,010	34,171,394	53,296,404	17,929,027	30,635,373	48,564,400	(4,732,004)	-9%
East African Court of Justice	4,100,391	124,850	4,225,241	3,970,406	0	3,970,406	(254,835)	-6%
East African Legislative Assembly	18,973,845	-	18,973,845	16,755,725	0	16,755,725	(2,218,120)	-12%
Lake Victoria Basin Commission	2,850,531	10,343,318	13,193,849	2,789,103	5,590,954	8,380,057	(4,813,792)	-36%
East African Science & Technology Commission	1,639,738	275,335	1,915,073	1,536,751	-	1,536,751	(378,322)	-20%
East Africa Kiswahili Commission	1,364,788	109,987	1,474,775	1,399,318	-	1,399,318	(75,457)	-5%
East Africa Health Research Commission	1,806,487	2,189,783	3,996,270	1,879,600	-	1,879,600	(2,116,670)	-53%
East African Competition Authority (EACA)	648,901	78,600	727,501	1,128,240	-	1,128,240	400,739	55%
The Inter University Council for EA	4,848,268	4,738,158	9,586,426	6,364,808	4,612,468	10,977,276	1,390,850	15%
Lake Victoria Fisheries Organization	2,060,845	2,000,300	4,061,145	1,945,938	1,131,996	3,077,934	(983,211)	-24%
Total	57,418,804	54,031,725	111,450,529	55,698,916	41,970,792	97,669,708	(13,780,822)	-12%

EXPECTED REVENUE								
SOURCE OF REVENUE	FY 2019/2020			FY 2020/2021			CHANGE	
Description	Partner States	Development Partners	Total	Partner States	Development Partners	Total	USD	%
Ministries for EAC Affairs	49,791,446		49,791,446	46,896,321		46,896,321	(2,895,125)	-6%
Ministries Responsible for Education	4,379,968		4,379,968	3,969,898		3,969,898	(410,070)	-9%

Ministries Responsible for Fisheries	2,060,845		2,060,845	1,945,938		1,945,938	(114,907)	-6%
Member Universities	468,300		468,300	394,960		394,960	(73,340)	-16%
Development Partners		54,031,725	54,031,725		41,970,792	41,970,792	(12,060,934)	-22%
Miscellaneous Revenue	296,145		296,145	225,850		225,850	(70,295)	-24%
EAC General Reserve	422,100		422,100	266,000		266,000	(156,100)	-37%
General Reserve-IUCEA	0		0	1,999,950		1,999,950	1,999,950	
Total	57,418,804	54,031,725	111,450,529	55,698,917	41,970,792	97,669,708	(13,780,821)	-12%

Summary of Proposed budget for FY 2020/2021

Allocation of Contribution from Partner States and Miscellaneous revenue), FY 2020/2021

Organ/Institution	Approved Revenues for FY 2019/2020			Proposed Revenue for FY 2020/2021		Increase (Decrease) in USD		%ge
	Partner States Contribution	Other Revenue (Reserves; Interests, Member University' fees, Disposals)	TOTAL	Partner States Contribution	Other Revenue (Reserves; Interests, Member University' fees, Disposals)	TOTAL		
EAC Secretariat	18,600,413	524,595	19,125,008	17,466,257	462,770	17,929,027	(1,195,981)	-6%
East African Court of Justice (EACJ)	4,100,391	-	4,100,391	3,970,406	-	3,970,406	(129,985)	-3%
East African Legislative Assembly (EALA)	18,973,845	-	18,973,845	16,755,725	-	16,755,725	(2,218,120)	-12%
Lake Victoria Basin Commission (LVBC)	2,823,433	27,100	2,850,533	2,789,103	-	2,789,103	(61,430)	-2%
East Africa Science and Technology Commission (EASTECO)	1,629,738	10,000-	1,639,738	1,526,751	10,000	1,536,751	(102,987)	-6%

The East Africa Kiswahili Commission (EAKC)	1,208,328	156,550	1,364,788	1,389,318	10,000	1,399,318	34,530	3%
East Africa Health Research Commission (EAHRC)	1,806,487	-	1,806,487	1,870,520	9,080	1,879,600	73,113	4%
East African Competition Authority (EACA)	648,901	-	648,901	1,128,240	-	1,128,240	479,339	74%
Inter University Council of East Africa (IUCEA)	4,379,970	468,300	4,848,268	3,969,898	2,394,910	6,364,808	1,516,540	31%
Lake Victoria Fisheries Organization (LVFO)	2,060,845	-	2,060,845	1,945,938	-	1,945,938	(114,907)	-6%
Total for the Partner States	56,232,351	1,176,545	57,418,804	52,812,156	2,886,760	55,698,916	(1,719,888)	-3%

Contribution to EAC Main Budget for FY 2020/2021 by each Partner State

Partner State	Contribution for FY'2019/2020 Budget	Contribution for FY'2020/21 Budget	Increase/(Decrease)	%- Increase/(Decrease)
Republic of Burundi	8,298,574	7,816,053	(482,521)	-6%
Republic of Kenya	8,298,574	7,816,053	(482,521)	-6%
Republic of Rwanda	8,298,574	7,816,053	(482,521)	-6%
Republic of South Sudan	8,298,574	7,816,053	(482,521)	-6%
United Republic of Tanzania	8,298,574	7,816,053	(482,521)	-6%
Republic of Uganda	8,298,574	7,816,053	(482,521)	-6%
Total	49,791,446	46,896,320	(2,895,124)	-6%

Contribution to IUCEA Budget for FY 2020/2021 compared to FY2019/2020, by each Partner State

Partner States	Contribution for FY'2019/2020 Budget	Contribution for FY'2020/2021 Budget	Increase/(Decrease)	%-Increase/(Decrease)
Republic of Burundi	729,995	661,650	(68,345)	-9%
Republic of Kenya	729,995	661,650	(68,345)	-9%
Republic of Rwanda	729,995	661,650	(68,345)	-9%
Republic of South Sudan	729,995	661,650	(68,345)	-9%
United Republic of Tanzania	729,995	661,650	(68,345)	-9%
Republic of Uganda	729,995	661,650	(68,345)	-9%
Total	4,379,970	3,969,898	(410,072)	-9%

Contribution to LVFO Budget for FY 2020/2021

Partner State	Contribution for FY'2019/2020 Budget	Contribution for FY'2020/2021 Budget	Increase/(Decrease)	%-Increase/(Decrease)
Republic of Kenya	515,211	486,485	(28,727)	-6%
United Republic of Tanzania	515,211	486,485	(28,727)	-6%
Republic of Uganda	515,211	486,485	(28,727)	-6%

Republic of Burundi	515,211	486,485	(28,727)	-6%
Total	2,060,845	1,945,938	(114,907)	-6%

Details of Miscellaneous revenue to fund the Budget for FY 2020/2021 as Compared to FY2019/2020

Source of Revenue	FY'2019/2020 Budget	FY'2020/2021 Budget	Increase (Decrease) in USD	Increase (Decrease) in %ge
Member Universities' fees paid to IUCEA	468,300	394,960	(73,340)	-16%
Miscellaneous revenue from (Interest from investment in fixed deposits, current accounts, proceeds from disposal of fixed assets)	172,551	80,930	(91,621)	-53%
Other Contributions from Road/Highway Authorities	123,594	144,920	21,326	17%
EAC General Reserve	422,100	266,000	(156,100)	-37%
IUCEA Reserve	0	1,999,950	1,999,950	
Total	1,186,545	2,886,760	1,700,215	143%

Development Partners Support to the Budget for FY 2020/2021 compared to FY2019/2020

Development Partner	FY 2019/2020 (USD)	FY 2020/2021 (USD)	CHANGE (USD)	% CHANGE
Partnership fund Basket	2,975,638	797,278	-2,178,360	-73%
African Development Bank (AfBD)	9,620,068	9,811,720	191,652	2%

Development Partner	FY 2019/2020 (USD)	FY 2020/2021 (USD)	CHANGE (USD)	% CHANGE
United States Agency for International Development (USAID)	8,013,006	3,842,635	-4,170,371	-52%
Germany, through KfW	3,915,391	5,573,629	1,658,238	42%
World Bank (WB)	17,370,733	12,242,554	-5,128,179	-30%
Other projects funded by European Union (EU)	2,324,792	4,065,615	1,740,823	75%
Chinese Government	198,150	372,210	174,060	88%
ICIPE- Bio Innovate Africa	99,660	-	-99,660	-100%
United Nations-Environment programme-(UNEP)	1,828,734	1,675,120	-153,614	8%
African Union funded Project (EU though AU)	2,089,800	1,066,170	-1,023,630	-49%
Swedish International Development Agency (SIDA) Projects	3,239,205	1,333,766	-1,905,439	-59%
Deutsche Gesellschaft fur InternationaleZur (GIZ)	913,740	417,512	-496,228	-54%
Bill and Melinda Gates Foundation	634,298	-	-634,298	-100%
AGGRA	196,800	237,730	40,930	21%
DAAD	261,120	-	-261,120	-100%
International Institute for Applied Systems Analysis(IIASA)	350,590	439,040	88,450	25%
St. Andrew's University		5,813	5,813	100%
Swiss Federal Department of Foreign Affairs	-	90,000	90,000	100%
Total	54,031,725	41,970,792	-12,060,933	-22%

Overall EAC Budget Summary as per Categories for FY2020/2021

Category	Total Budget 2019/2020	Total Budget 2020/2021	Percentage

Expenditure Category	Partner States	Dev Partners	Total Estimate	Partner States	Dev Partners	Total Estimate	% to total Budget
Personal Emoluments (Recurrent budget)	30,427,416	5,940,800	36,368,216	29,824,342	3,910,090	33,734,432	34%
Other administrativeCharges (Recurrent budget)	20,730,880	7,409,314	28,140,194	15,748,522	1,348,998	17,097,520	18%
Development Budget	6,260,508	40,681,611	46,942,119	10,126,054	36,711,702	46,837,756	48%
Total	57,418,804	54,031,725	111,450,529	55,698,918	41,970,792	97,669,708	100%

4.1 Priority Areas and Programs for the Period: 2020/2021 – 2022/23

The MTEF for the Financial Year 2020/21 – 2022/23 was prepared in line with the global and sector-specific priority areas as adopted by the 39th Meeting of the Council of Ministers held on 21st – 28th November 2019, various Summit and Council Directives and Sectoral/Departmental projections. The theme for the Budget for the FY 2020/21 is “***Stimulating the economy to safeguard livelihoods, jobs, businesses and industrial recovery***”.

During the FY 2020/21, the Community will focus on the following key priority areas:-

- i. Consolidation of the Single Customs Territory (SCT) to cover all imports and intra-EAC traded goods, including agricultural and other widely consumed products;
- ii. Infrastructure development in the region;
- iii. Enhancing free movement of all factors of production and other areas of cooperation across the Partner States as envisaged under the Common Market and Monetary Union Protocols;
- iv. Enhancement of regional industrial development through investment in key priority sectors, skills development, technological advancement and innovation to stimulate economic development;
- v. Improvement of agricultural productivity, value addition and facilitation of movement of agricultural goods to enhance food security in the region;
- vi. Promotion of regional peace, security and good governance; and
- vii. Institutional transformation at the regional and Partner State levels.

4.2 Expected Outcomes over the Medium Term (2020/21-2022/23)

It is expected that implementation of the above priority programs will result into the following outcomes:-

- i. Consolidation of the Single Customs Territory (SCT) will further enhance intra-EAC trade and lead to increased efficiency and reduced cost of doing business in the region.
- ii. Implementation of programmes under Infrastructure will improve transport inter-linkages, increase efficiency in the delivery of freight and passenger services, lower transport costs, ease movement of persons and goods and enhance regional trade.
- iii. Effective implementation of the EAC Common Market Protocol will result in the realization of accelerated economic growth and development of the EAC region, particularly towards promotion of employment and improvement of standards of living and working conditions within the Community.
- iv. Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation will boost the region's export competitiveness for faster economic development.
- v. Implementation of the Roadmap towards the EAC Monetary Union through harmonisation of fiscal and monetary policies and establishment of the requisite EAMU institutions will facilitate economic integration for sustainable growth and development of the Community.
- vi. Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation are critical for the attainment of a stable and politically united East Africa, factors that will be necessary for the successful implementation of socio-economic programmes to further support growth and development of the EAC region.
- vii. Promotion of peer learning in entrenching democratic values through sharing and follow up of Election Observation outcomes. This is critical to sustainable stability, which is a key ingredient for successful integration.
- viii. Implementation of the envisaged institutional reforms will ensure that operational systems are fully streamlined to achieve the desired level of efficiency, accountability, and value for money.
- ix. Implementation of the crosscutting projects and programmes will complement those that are specific to the four Pillars of the EAC integration towards the realization of the Community's objectives both in the short and medium term.

4.3 Key Challenges affecting budget implementation

Despite the progress made in the implementation of the Community's projects and programmes, a number of challenges still persist. They include the following:

- i. Inadequacy of resources and delays in disbursement of financial commitments from Partner States. For example, during the period under review, the East African Court of Justice was forced to cancel two Court sessions which led to delay in conclusion of cases.
- ii. Postponement of technical and policy meetings, leading to delays in the implementation of decisions.
- iii. Recurring Non-Tariff Barriers that affect movement of goods across borders;
- iv. Slow pace of implementation of the Common Market Protocol and Single Customs Territory that hinders free movement of goods (both raw materials and finished products) and services from one Partner State to the other. This affects regional intra trade and encourages stiff competition by foreign (outside EAC) imported products against locally produced products.
- v. The on-going and anticipated impact of COVID-19 pandemic on the Community's activities and economies of Partner States.
- vi. Risks associated with unreliable disbursement of development partner funding particularly in donor reliant sectors like Peace and Security.

4.4 Strategies for mitigating the challenges

The Secretary General informed the Committee that the Community will implement the following strategies to mitigate the effects of the above challenges:-

- i. Close follow-up of remittances by Partner States to facilitate timely implementation of projects and programs, including identification of alternative financing options for consideration by the Council;
- ii. Enhanced prioritization of activities to avoid wastage of resources;
- iii. Improvement of processes, systems and infrastructure, through use of Information Technology (IT) to provide high levels of efficiency, quality, and cost effectiveness in operations;
- iv. Continuous dialogue with Development Partners to support of the EAC projects and programs;
- v. a concerted and coordinated effort to mitigate the impact of the COVID-19 on the regional economy; and

- vi. Implementation of Council Directive on progressing weaning of the Peace and Security Sector from donor dependence.

5.0 PROPOSED BUDGET ALLOCATION AND PLANNED ACTIVITIES IN FY 2020/21

5.1 EAC-SECRETARIAT

According to the Budget Estimates, the EAC-Secretariat was allocated **USD 48,564,401** for FY 2020/2021. This amount was allocated to the relevant Offices as indicated below:

5.1.1 Office of the Secretary General

The office requests the approval of **USD1, 273,861** to implement, among others, the following key programmes/activities in FY 2020/2021:

- i. To convene an annual forum with the private sector bodies and civil society organisations;
- ii. To convene two ordinary Summits of Heads of States;
- iii. To participate in Four (4) AUC/UN Statutory meetings;
- iv. SGs mission to World Bank/IMF Annual and Spring meetings and in the continuation of negotiation rounds with development partners;
- v. Coordination meetings with EU, USAID, Germany, AfDB, Japan and France;
- vi. Convene two briefing sessions with Chairperson of the Summit;
- vii. To engage technical assistance for installation of the PCU project management software;
- viii. Working executive retreat to disseminate activities of the Project Coordination Unit;
- ix. Publication and information sharing to highlight issues and progress of regional integration;
- x. To attend five (5) consultation missions to Partner States and five official functions invited by EAC Heads of State;
- xi. To participate in three (3) EALA Plenary sessions; and
- xii. To conduct 4 internal audit assignments each quarter.

Internal Audit Unit

- i. To convene quarterly meetings of the Audit and Risk Committee;
- ii. To procure new laptops for internal auditors to facilitate audit work;

Defence Liaison Unit

- i. To convene biennial meetings of Commandants of EAC Senior Command and staff to review programs in cooperation in Military training.

Legal and Judicial Unit

- ii. To convene and facilitate meetings of the Sectoral Council of Legal and Judicial Affairs.

- i. To provide legal input to the legislative instruments adopted by Council.
- ii. To provide legal support to Organs and Institutions of the Community.

Corporate Communications and Public Affairs

- i. Develop the 2nd EAC Communications Policy and Strategy (2018/19 – 2023/24) ;
- ii. To organise media briefings, live streaming, arrange media breakfast engagements for major EAC events;
- iii. To print and distribute EAC integration publications (Treaties, Protocols and occasional publications) to stakeholders;
- iv. To develop and distribute infomercials and programmes on EAC integration for dissemination of radio, televisions and social media platforms.

Resource Mobilisation

- i. Development of the EACDF framework and validation of the legal instruments between the EAC and EADB on the management of the fund;
- ii. Conduct donor missions to existing and potential donors/development partners;
- iii. Conduct specific donor round tables for EAC Organs and Institutions;
- iv. Conduct visits to non-traditional donors including foundations; and
- v. Undertake donor engagement missions and monitoring the implementations of PF work plan and compilation of progress reports.

5.1.2 Office of the Deputy Secretary General - Finance and Administration

The office requests the approval of **USD 18,507,269** to cater for the personnel emoluments and administrative costs and to implement among others, the following key programs/activities in FY 2020/2021:

Human Resources Management and Development

- i. To facilitate automation of staff management systems;
- ii. To organise quarterly meetings of the EAC Adhoc Service Commission;
- iii. To develop and implement the EAC change management framework and strategy for smooth implementation of EAC Institutional Review;
- iv. Facilitate the HR staff to attend the meetings of Council of Ministers. Risk and Audit Commission and EALA for the agenda concerning HR matters;
- v. Recruitment and settlement of EAC stat Project Management Unit;
- vi. To pay emoluments every month for established staff;
- vii. To pay other allowances paid directly to established staff on annual basis;
- viii. To retain project staff under EAC/SIDA integrated health program;

Administration

- i. To pay for communication services;
- ii. Fencing of the land in Kisongo;

- iii. To build gabions to prevent erosion to the land in Kisongo;
- iv. To follow up on staff immunities and privileges;
- v. To maintain and renew car tracking system in all EAC vehicles;
- vi. To provide fuel for EAC vehicles;
- vii. To procure two vehicles for the two DSGs;

Procurement

- i. To facilitate procurement committee;
- ii. To attend audit and risk Committee meetings to respond to procurement related issues.

5.1.3 Office of the Deputy Secretary General - Planning and Infrastructure

The office requests the approval of **USD 14,695,949** to implement the following key programs/activities in FY2020/2021:

- (i) To carry out a baseline assessment for mobility of selected professionals and students across EAC Partner States;
- (ii) To hold meetings of the National Implementation Committee to review implementation of the Common Market Protocol;
- (iii) To hold meetings at the regional level to monitor and evaluate implementation of the Common Market Protocol;
- (iv) To convene the Pre-Budget Conference to agree on the Global and Sector specific priority areas for 2021/2022;
- (v) To convene sectoral Council of Ministers responsible for EAC Affairs and Planning meetings to provide policy guidance;
- (vi) To convene sectoral council of Ministers responsible for EAC Affairs and Planning meetings to provide policy guidance;
- (vii) Internal review of the Draft Annual Operational Plan for 2021/2022;
- (viii) To engage an external expert for training and sensitisation of staff of Secretariat, EALA and EACH on ISO 9001-2015 standard.

5.1.4 Office of the Deputy Secretary General - Productive and Social Sectors

The office requests the approval of **USD 9,482,361** to implement the following key programs/activities in FY 2020/2021:

- (i) To convene experts to develop and validate EAC rice development strategy;
- (ii) Convene high level meeting of EALA Members of Agriculture, Tourism and Natural Resources Committee;

- (iii) Convene meeting to validate EAC Regional Agriculture Investment Plan (RAIP) implementation plan and Comprehensive African Agriculture Development Program (CAADP) Results Framework;
- (iv) Validation of Protocols/SoPs to operationalise EAC harmonised bio pesticide guidelines;
- (v) Sectoral Council of Agriculture and Food Security (SCAIFS);
- (vi) Organise and convene meeting with stakeholders and development partners;
- (vii) Convene CAADP experts to validate the EAC Joint Sector Review (JSR) Action Plan;
- (viii) To convene legal experts to facilitate the fertiliser Bill; and
- (ix) Convene sessions of the Sectoral Council on Agriculture and Food Security.

5.1.5 Office of the Deputy Secretary General - Political Federation

The office requests the approval of **USD 3,908,911** to implement among others, the following key programs/activities in FY 2020/2021:

- (i) Convene a meeting of Partner States experts to review and upgrade the views of Council of Ministers on the proposed model of the EAC Political confederation;
- (ii) Meeting of Constitutional Experts to draft EAC Political Confederation Constitution;
- (iii) Meeting of Constitutional Experts to develop the stakeholder's consultation report;
- (iv) Meeting of Constitutional Experts to develop preliminary report and proposed model EAC Political Confederation to Summit;
- (v) Meetings of Constitutional Experts to draft EAC Political Confederation Constitution;
- (vi) Election Observer mission, planning and deployed in the United Republic of Tanzania;
- (vii) Election Observer missions;
- (viii) To attend Council, Summit, Legal and Judicial meetings;
- (ix) Annual Meeting of Anti-Corruption Agencies;
- (x) Convene Annual Meeting of EMBs to review previous decisions of Council in the Sector;
- (xi) Support sensitisation Program by EAC Youth Ambassadors in each Partner States at National Level to promote EAC integration among University Community;
- (xii) Convene the annual meeting of the EAC Forum of National Human Rights Commission to review the implementation of previous decisions in the sector.

5.1.6 Office of the Director General - Customs and Trade

According to the Budget Estimates, this office was allocated **USD 696,050** to implement and achieve, among others, the following by the end of Financial Year 2020/2021:

Customs

- i. Pre-Budget meeting with Partner States to consider the budget proposals for inclusion in National Budget;
- ii. Printing and publishing Customs and Trade Instruments;
- iii. To convene post budget meeting to assess implementation of National budget after review of regional customs instruments;
- iv. Present Customs and Trade instruments to Summit, Council, Financial and Administration meetings;
- v. To convene meetings of the Sectoral Council of Ministers to adopt and approve customs and trade instruments;

Trade

- i. Eliminate NTBs at the regional level through the EAC Regional Monitoring Committee;
- ii. Convene the Sectoral Committee on Trade to deliberate on Trade related matters;
- iii. Eliminate NTBs at national level through National Monitoring;
- iv. Organize EAC preparatory meetings and participate in TFTA meetings to facilitate Partner States' in their negotiations;
- v. Convene meetings to implement the EAC-US cooperation agreement including commercial dialogue; and
- vi. Conduct meetings on Tripartite and Continental Free Trade Area.

5.2 EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

According to the Budget Estimates, the Assembly was allocated **USD 16,755,725** to implement among others, the following key programs/activities in FY2020/2021:

- i. To convene the biannual meetings of EAC Speakers by June 2021;
- ii. To organize and participate in the annual inter-parliamentary meeting;
- iii. To attend EAC Summit meetings;
- iv. To attend the UN Parliamentary hearings by June 2021;
- v. To attend the conference of the African Caribbean Pacific and EU Joint Parliamentary Assembly by June 2021;
- vi. To attend biannual ordinary sessions of the Pan African Parliaments by June 2021;
- vii. To attend invitational meetings of National Parliaments;
- viii. To facilitate the Audit Commission to attend meetings of the Accounts Committee to examine accounts and other related meetings;
- ix. To consider Bills and other legislative matters focusing on the four pillars of integration;

- x. To consider and review other legislative matters from the EALA Committees;
- xi. To facilitate capacity building for the newly elected Commissioners and Committee Chairpersons in June 2021;

- xii. To attend plenary sessions, Committee meetings by June 2021;
- xiii. To undertake annual joint planning, mid-term review and end year review meetings;
- xiv. To transmit Bills and assent copies of statutes to Partner States;
- xv. To organize the annual EAC inter-parliamentary meeting; and
- xvi. To undertake post audit oversight activities (implementation of recommendations).

5.3 EAST AFRICAN COURT OF JUSTICE (EACJ)

According to the Budget Estimates, the EACJ was allocated **USD 3,970,406** for FY 2020/2021 to implement, among others, the following key programmes/activities:

- i. Judge President and Registrar to represent EACJ in twelve fora and statutory meetings extended to EACJ;
- ii. To present a paper on a topical issue in East African Magistrates and Judges Association (EAMJA) Conference;
- iii. To conduct training for Judges on Arbitration and other legal issues;
- iv. To attend statutory meetings (Audit and Risk, EALA, Council and Summit);
- v. To procure assets (motor vehicles, computers, office equipment, etc) to EACJ;
- vi. To hold court plenary twice a year for policy decisions and planning;
- vii. To convene EACJ meeting of Rules of Procedures Committee to review the Rules of the Court; and
- viii. To facilitate EAC staff to set up and provide technical support to the Sub-Registry.

5.4 LAKE VICTORIA BASIN COMMISSION (LVBC)

The Commission requests the approval of **USD 8,380,057** for FY 2020/2021 to implement, among others, the following programmes/activities:

- i. Represent LVBC in administrative and management related fora;
- ii. Participate in Summit of Heads of State meetings;
- iii. Develop the Strategic Plan for 2021-2025;
- iv. To participate in planning and budgeting for FY 2021/2022 meeting;
- v. To review and develop new M & E tools to monitor and evaluate LVBC projects and programmes;
- vi. To participate in EAMS meetings to review and update the LVBC SECOM and Council directives and decisions;

- vii. To convene a regional workshop to review and validate the draft of the LVBC Annual Report for 2019/2020;
- viii. To facilitate the EAC statutory meetings (Council of Ministers and Sectoral Council of EAC Affairs and Planning) and present LVBC progress report on Project and Programmes for policy guidance;
- ix. To facilitate and follow up on the LVBC Bills (Water Resources Management Bill, 2018, LVBC Bill 2019) till enactment; and
- x. To develop LVBC risk management framework, policy and strategy.

5.5 INTER- UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

The institution requests the approval of **USD 10,977,276** for the FY 2019/2020 to implement, among others, the following key programmes/activities:

- i. Provide MSc scholarships to female students in participating;
- ii. Conduct internal audit related support missions;
- iii. Attend 1 Sectoral Council of Ministers meetings on Education with 1 Executive and 2 staff for 5 days;
- iv. Attend 2 quarterly meetings of Head of Organs and Institutions;
- v. Organize and hold 2 quality assurance Committee meetings involving 12 participants, 2 executives and 5 staff;
- vi. To attend 2 meetings of the Sectoral Council on Legal and Judicial Affairs to pursue the proposed amendments to the Protocol on the Establishment of IUCEA and IUCEA Act, 2009;
- vii. To attend 3 meetings of the Sub-Committee on Approximation of National Laws are aligned to facilitate the Summit Directive declaring the EAC a Common Higher Education area; and
- viii. Organize one meeting with China Academy of Science in China for 1 Executive for 3 days.

5.6 LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

The organisation requests the approval of **USD 3,077,934** to implement, among others, the following key activities/programmes in FY 2020/2021:

- i. Participation in the meetings of Heads of Organs and Institutions;
- ii. Participation in the EAC Council of Ministers Sessions;
- iii. To hold LVFO Sectoral Council of Ministers meeting;
- iv. Preparation and attendance of the EALA Committee on Accounts as and when deliberating on the Audited Financial Statements;
- v. To facilitate LVFO silver jubilee celebrations;

- vi. To facilitate in house development of systems/databases;
- vii. To develop aquaculture database;
- viii. To procure Navicat Premium Software;
- ix. To develop data and information management sharing policy;
- x. Procure and deploy network switches;
- xi. Rehabilitation of library room; and
- xii. Participate in Partner States regional international workshop/book exhibitions.

5.7 EAST AFRICA SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)

The Commission requests the approval of **USD 1,536,751** for the FY 2020/2021 to implement among others, the following key programs/activities:

- i. Hold meetings of (technical) Committees for the EASTECO Board;
- ii. To attend EAC Statutory meetings;
- iii. To attend EALA Accounts Committee, EALA General Purpose Committee, EAC Audit and Risk Committee and EAC Accountants and Auditors Meetings;
- iv. Conduct National and Regional Stakeholder Consultation on the EAC Regional Strategy for indigenous knowledge and technology;
- v. Conduction National and Regional consultation to develop the EAC Regional Innovation strategy;
- vi. Carry out mid-term review of first EASTECO Strategic Plan;
- vii. Carry out training for scientific paper writing;
- viii. Design, Develop and implement the EAC Regional Science and Technology Reference Repository; and
- ix. Develop and maintain the EAC online platform for young innovators (information sharing on IP issues and linkages with private sector and investors).

5.8 EAST AFRICA KISWAHILI COMMISSION (EAKC)

The Commission requests the approval of **USD 1,399,918** to fund the implementation of the following programmes/activities in FY 2020/2021:

- i. To attend meetings of the Council;
- ii. To attend Summit meetings;
- iii. Facilitate exchange of stakeholders amongst and between institutions that develop and use Kiswahili in EAC Partner States;
- iv. Convene Regional and National stakeholders meetings to design Kiswahili Training manuals for EAC Partner States;

- v. Develop EAKC Bill;
- vi. Translate key EAC documents on the four pillars of integration from English into Kiswahili;
- vii. To pay staff salaries and allowances;
- viii. To attend Sectoral Council of Minister responsible for EAC Affairs and Planning;
- ix. To attend the Sectoral Council of Ministers responsible for Science and Technology, Education, Health, Sports and Culture;
- x. To attend one meeting of the EALA Accounts Committee on the Audited Financial Statements; and
- xi. To attend one meeting of the EALA General Purpose Committee on budgeting.

5.9 EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

The Commission requests the approval of **USD 1,879,600** for the implementation of, among others, the following programmes/activities in FY 2020/2021:

- i. To develop the EAHRC Strategic Plan 2021 – 2026;
- ii. To implement telemedicine linking EA Centers of Excellence (CoE) with other health and academic facilities across the region;
- iii. To organise a biannual workshop to refine the health data to be collated on the EA Web Portal for Health information;
- iv. To publish at least 03 EAHRJ annually;
- v. To publish at least 02 issues of the East African Science Journal (EASci) annually; and
- vi. To convene a regional workshop of East African Journals Editors in Chief to discuss the indexation of the Scientific materials to the EA web portal.

5.10 EAST AFRICAN COMPETITION AUTHORITY (EACA)

The Authority requests for the approval of **USD 1,128,240** to fund the implementation of the following programmes/activities FY 2020/2021:

- i. To develop a records management system to ensure efficiency in case management;
- ii. Develop mergers and acquisitions guidelines and relevant forms;
- iii. To conduct an assessment of subsidies implemented in EAC region and develop subsidy registers and guidelines;
- iv. To investigate and analyze cross border cases on mergers and acquisitions notifications restraints by enterprises;

- v. To convene a Partner States experts meeting to consider and develop a prioritization framework for competition enforcement and conduct of market studies;
- vi. To conduct national stakeholder's awareness and sensitization on their obligations under the EAC Competition Act, 2006; and
- vii. To convene EACA Commissioners meetings to provide policy guidance and adjudicate cases.

6.0 SPECIFIC OBSERVATIONS AND RECOMMENDATIONS

6.1 OFFICE OF THE SECRETARY GENERAL

a. Review of the Treaty

At the 21st Meeting of the Sectoral Council on Legal and Judicial Affairs, the Attorneys General observed the need to review the Treaty to take into account the circumstances and prevailing needs of the Community.

The Attorneys General play a critical role in facilitating the EAC integration by providing legal direction and guidance on all matters relating to the Community. The Attorneys General at their recently concluded retreat resolved to be more involved and give priority to matters relating to the Community. In particular, the Attorneys General pointed out the need to review the Treaty urgently to ensure that it facilitates the EAC integration agenda. Yet the current budget line cannot be used to convene a special session of the Attorneys General to review the Treaty or analyse and fast track the legal instruments that are pending before their Heads of State for ratification.

b. Pending Bills

The Committee was informed that the following Bills are currently pending before the Sectoral Council on Legal and Judicial Affairs:

- (a) The Draft East African Surveillance Compliance and Enforcement Commission Bill – **arising out of and giving effect to the Protocol establishing the EAC Monetary Union;**
- (b) The Draft Bill for the Establishment of the East African Financial Services Commission - **arising out of and giving effect to the Protocol establishing the EAC Monetary Union**
- (c) The Draft EAC Seed and Plant Varieties Bill
- (d) The Draft Standardization, Accreditation and Conformity Assessment (SACA) Bill 2017;
- (e) The Draft Metrology Bill – arising out of the current SQMT Act that the Council directed should be split into two stand-alone laws;
- (f) Proposed Amendment to section 112(2) of the EAC Customs Management Act.

The Bills were referred to the Sectoral Council on legal and Judicial Affairs without any additional funding by the 38th Meeting of the Council. The Bills referred to the Sectoral Council on Legal and Judicial Affairs are critical to the work of the Assembly and to advancing the EAC integration agenda especially the ones relating to the Monetary Union that are time bound. To meet the statutory obligations of the Office of the Counsel to the Community, the Office requires a total sum USD 84,280. However, a paltry USD 21,250 has been allocated for this work.

The Committee recommends that a total sum of USD 60,030 be reallocated from activity code M5S10T2401S09 to activity codes M5S013T0202S01 and M5S013T0202S02 to provide additional funds to the Office of the CTC in FY 2020/21 to:

- a) To facilitate the office to process the 6 pending Bills and present them before the Sectoral Council on Legal and Judicial Affairs for introduction in the Assembly at the earliest opportunity;***
- b) To convene and facilitate the Legislative Draftspersons and the Sectoral Council on Legal and Judicial Affairs to provide legal input into the Bills pending before the Sectoral Council.***

c. Areas for rationalization

The Committee noted that the following programs/activities have either been overtaken by events or cannot be implemented due to the prevailing covid-19 pandemic. For example, due to travel restrictions, the SG will not attend some of the UN meetings, neither will he attend EALA Sessions outside Arusha because most of the sittings will be held virtually. Therefore the funds earmarked for such activities should be reallocated (refer to the rationalization schedule).

6.2 OFFICE OF THE DEPUTY SECRETARY GENERAL – FINANCE AND ADMINISTRATION

a. Recruitment of EAC Staff

During the month of July 2020, a total of 41 vacant positions in the various Organs and Institutions of the EAC were advertised, and the deadline for submission of applications was 21st August 2020. Shortly after the advert came out, some concerned EAC citizens petitioned the Council of Ministers about the irregularities in the recruitment of EAC staff. Available correspondences show that since then, there has been a standoff between the Secretary General and the Council of Ministers over the recruitment exercise.

In his letter to the Secretary General dated 12th August 2020 (**Annex 1**), the Chairperson, Council of Ministers reminded the Secretary General that it was the mandate of the EAC Adhoc Service Commission to conduct the recruitment of staff. The Chair Council further

advised that any objection to the Council directive on this matter should be addressed through the same channels that established the Adhoc Service Commission.

In another letter to the Secretary General dated 24th August 2020(**Annex 2**),the Chairperson, Council of Ministers, made reference to the Secretary General's letter dated 14th August 2020, which confirms that the Secretary General and his team at the Secretariat were hell bent on going ahead with the recruitment exercise. The Chair, Council expressed displeasure about the Secretariat's intention to undermine the authority of the Council. In the same letter, the Chair Council reminded the Secretary General that the Council directive mandating the Adhoc Service Commission to undertake EAC staff recruitment was still in force and it stays the EAC Staff Rules and Regulations until a new and formal Council decision rescinding the initial directive is made.

During the Committee interaction with the Council of Ministers on 28thSeptember 2020, it was evident that the Council was divided on who should conduct the recruitment of staff. However, the Committee further confirmed that the Council took a decision to create the Adhoc Service Commission in 2013 against a backdrop of corruption, bribery and nepotism during the recruitment of EAC staff. The Committee could not get any evidence from the Secretary General to confirm that the Adhoc Service Commission was disbanded by the Council.

According to Article 14 of the Treaty, the Council of Ministers is the policy organ of the Community, and can give directions to Partner States and all other organs and institutions of the Community other than the Summit, EALA and the EACJ. Therefore, the Secretary General is bound by the Council decision that established the Adhoc Service Commission until when such a decision is rescinded.

It is the considered view of the Committee that the attempt by the Secretary General and his team at the Secretariat to go ahead with the recruitment of EAC staff, even after they were advised otherwise by the by the Chair Council, raises serious concerns about their motives.

The Committee recommends that:

- i. the recruitment of EAC staff be put on hold until when the Council harmonizes its position on who should conduct this exercise.***
- ii. All the budget lines relating to the Adhoc service Commission and staff recruitment be reallocated.***
- iii. Once the Council harmonises its position on the recruitment of staff, a supplementary budget shall be presented to the Assembly for approval.***

b. Video conference infrastructure

Following the outbreak and spread of the covid-19 pandemic and the resultant travel restrictions, there has been a high demand for and usage of the Video Conference. Whereas the ICT department proposed the upgrade of the system to allow sustainable usage of multiple tools, this request was ignored by the Council. It is evident that there is need to install ICT

Security systems to mitigate the cyber security issues that are common with all online services.

The Committee recommends that a total sum of USD 88,700 be reallocated as indicated in the rationalization/reallocation schedule of this report to upgrade the Video Conference facility and to cater for the implementation of ICT security to ICT systems and network security services in FY 2020/21.

c. Resource mobilization

During the consideration of the EAC Budget for the FY 2019/2020, the Assembly raised serious concerns about the resource mobilization initiatives in the EAC. It was noted that all the Memoranda of Understanding entered into between the EAC and development Partners were devoid of the oversight role of the Assembly. While the Committee appreciates the need for diversification of the resource base to avoid reliance on traditional donors, and recognizes the need to support the Assembly to engage various Development Partners for potential support, a paltry USD 25,200 has been earmarked for resource mobilization in this financial.

The Committee recommends that a total sum of USD 60,170 be reallocated from activity codes M5S09T1903S04, and M5S10T2401SO9 to activity code M5S04T0102S02 to provide additional funds for the implementation of resource mobilization activities in FY 2020/21 with focus on n EALA and other institutions with limited or no donor funding.

d. Areas for rationalization

The Committee noted that given the current financial situation of the Community, the some of the programmes/activities were not very urgent in this financial year while others cannot be implemented due to legal challenges. Therefore the funds for these activities should be reallocated as indicated in the schedule to this report.

6.4 OFFICE OF THE DEPUTY SECRETARY GENERAL – PRODUCTIVE AND SOCIAL SECTORS

It was noted that, besides being understaffed, this docket is the least funded under the Secretariat. Most of its programmes have for many years, depended on funding from development Partners. According to the Budget Estimates of the current financial year 2020/21, Partner States contribution to the budget of the office of the Deputy Secretary General Productive and social sectors amounts to only 3.8%. In particular, the gender department is chronically underfunded yet it covers a wider spectrum of our population: Women, Youth, Persons with disabilities, children.

The Committee recommends that some reallocation be made as indicated in the schedule to this report to provide some resources for the department of Gender.

6.6 EAST AFRICAN COURT OF JUSTICE (EACJ)

a. Extra days for Court Sessions

While the Committee acknowledges that the initial workload of EACJ did not require all the Judges to reside permanently at the seat of the Court, the situation has since changed. Over the years, case backlog has built up and this has led to delay in the dispensation of justice. Court workload is bound to increase with the implementation of various Protocols of the Community.

Cases go through several stages, that is, pretrial conference, hearing and rendering of decision in their lifespan at the Court. Therefore, one case may be handled in more than six sessions of the Court. The Committee was informed that the First Instance Division had 50 cases pending before it at the end of financial year 2017-2018, which has now gone up to **66 at the end of 2019 FY**. It has become impossible to commence hearing a case within one year of its filing, which has led to concerns by litigants over the period taken in determining their cases.

A request of USD 228,000 was put to the Council for an increase in the number of working days for the Judges from 22 to 32 working days (additional 10 days). At its sitting of the **38th Meeting of the Council held on 10th May 2019**, Council approved the additional 10 days but added that the Court reallocates funds from within the 2019/2020 FY budget which was not possible. (EAC/CM/38/Decision 52).

The Committee recommends that of USD 228,000 be allocated to EACJ for the extra 10 days for court sessions as follows:

- i. USD 146,100 be reallocated from activity codes: M5S18T010501S01, M5S09T1703S01, and M5S09T1904S02; and***
- ii. USD 81,900 be drawn from the General Reserve Fund.***

b. Role of ICT in dispensation of Justice

The EACJ Strategic Plan provides for the development of ICT to make EACJ a world class court dispensing quality justice to the Community. The Committee appreciates the role ICT in dispensation of justice during the covid pandemic. With the support of development partners, EACJ embarked on preparation of EACJ ICT Strategy that is now in its final stages. However, the development partners did not provide for validation workshop of the ICT Strategy

Secondly, the amended Rules of Procedure of the Court 2019 specifically provide for the deployment of ICT for the Court processes including video conferencing and online service of court documents among others. The case management system has been upgraded and now all the processes can be done online.

Once operationalised, the ICT Strategy will eliminate the use of paper and make EACJ a paperless court. This will greatly reduce on the costs of stationary and litigation as the practicing lawyers will almost completely cut down on the travels to Arusha. It will further reduce the trips from Partner States to Arusha as the Court shall have moved to where the litigants are as opposed to the litigants moving where the Court is located

The Committee Commends the EACJ for the above initiative and urges the other Organs and Institutions of the Community to emulate the Court.

6.7 EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

a. Consideration and Approval of the EAC Budget Estimates for FY 2020/2021

The Committee noted that the Council of Ministers did not earmark funds to facilitate the Assembly during the consideration and approval of vote-on-account and the EAC Budget Estimates for the FY 2020/2021, yet it was their fault not to submit the budget to the Assembly by 30th April as per the requirements of Section 4(1) of the Budget Act.

Since the Community could not operate without a budget, during the approval of vote-on-account, the Assembly allocated a total sum of USD 1,003,360 to EALA to specifically fund all activities related to the consideration of the EAC Budget Estimates for the FY 2020/21. The House further resolved that during the consideration of the budget, appropriate rationalization would be done across the entire EAC budget to secure funds for this activity.

The Committee therefore recommends that a total sum of USD 1,003,360 be secured from the General Reserve Fund to specifically fund EALA during the consideration of the Vote-on-account and the EAC Budget Estimates for the FY 2020/21.

b. Outstanding Arrears

A bill of outstanding obligations arising out of the implementation of the EALA Calendar of activities during the period between the months of March – June 2020 stands at USD 2,529,055. According to Regulation 29(2) of the EAC Financial Rules and Regulations, if this obligation is not settled before 30th September 2020, the Members and staff of the Assembly will forfeit these arrears. However, Regulation 29(2) of the EAC Financial Rules and Regulations provides that such outstanding obligations which constitute a liability to the EAC can be budgeted for in subsequent financial year.

Whereas the Assembly cleared part of the arrears using remittances from the Republic of Uganda for the FY 2020/21, the Community is under obligation to provide for these arrears in its budget for FY 2020/2021.

The Committee recommends that a total sum of USD 2,529,055 be secured from the General Reserve Fund for the settlement of arrears of Members and staff of the Assembly.

c. Reduction in the number of Plenary Sessions

According to the Budget Estimates, the Council of Ministers took a unilateral decision to reduce the number of EALA Plenary Sessions from six (6) to four (4), and the number of plenary days for each Session from twenty one (21) to fourteen(14). Besides being a radical decision, it is the considered view of the Committee that this is an attempt to undermine and make the Assembly ineffective. Besides, according to Article 14(3)(c) of Treaty, in the exercise of its functions, the Council cannot give directions to, among others, the Assembly.

Article 49(2)(g) of the Treaty gives the Assembly the mandate to make its own rules of procedure for the effective discharge of its mandate. According to Rule 10(6) of the Rules of Procedure of the Assembly, the House shall sit for not less than 80 days for plenary and not less than 40 days for Committee meetings.

The Committee recommends that:

- i. The six plenary sessions of the Assembly be reinstated with each session running for a duration of 21 days.***
- ii. An additional total sum of USD2,329,055 is secured from the annual contributions of Partner States to fund the EALA Plenary Sessions.***
- iii. In the exercise of its mandate, the Council should be mindful of its limitations in giving directions to the Assembly in view of Article 14(3)(c) and other provisions of the Treaty.***

d. Facilitation of Members with Disabilities

Since the inauguration of the 4th Assembly in December 2017, the Assembly has had among its membership two Members with physical disabilities ie Hon. Mathias Kasamba and Hon. Alex Bahati from the Republics of Uganda and Rwanda respectively. In 2019, both Hon. Lawrence Aburi and Hon. Dr. Oburu Odinga got Aides after sustaining near fatal accidents. The EALA Commission approved the Aides to provide assistance to the said Members for the effective discharge of their duties. However, their Aides are not on the payroll of the EAC.

In 2008, the Council of Ministers approved the appointment of an Aide to Hon. Dr. Ndahiro James, a member of the Assembly with disability from the Republic of Rwanda. The Aide was accordingly given a monthly pay of USD 1,898. The Council further directed the Secretariat

to formulate a Comprehensive Policy for Persons with Disabilities working with the EAC. Twelve years down the road, no Policy has been put in place.

The Committee recommends that a total budget of USD 91,104 be drawn from the General Reserve Fund to cater for the emoluments of the Aides to Hon. Mathias Kasamba, Hon. Alex Bahati, Hon. Dr. Oburu Odinga and Hon. Lawrence Aburi Mpuru during the FY 2020/2021. Each aide shall be paid USD 1,898 per month which is the exact amount of money that was paid to the Aide of Hon. James Ndahiro in the 2nd and 3rd Assembly.

6.8 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)

Bloated Board

The Protocol for the establishment of EASTCO provides for the establishment and constitution a governing board of more than fifty (50) members. Besides posing a big challenge during decision making, such a bloated board is a big liability to the Community given the enormous financial expenses associated with its operations.

Whereas the Assembly has severally urged the Council of Ministers to expedite the amendment of the Protocol to provide for a lean board, no amendment has been effected yet.

The Committee recommends that the Council of Ministers amends the Protocol for the establishment of the EASTCO by June 2021 to provide for, among others a lean board.

7.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

1. The Council of Ministers has continually failed to comply with the timelines for presentation of the budget to the Assembly as per the requirements of Section 4(1) of the EAC Budget Act 2008. The extreme delay in the presentation of the budget for FY 2020/21 has negatively impacted the functioning of the Community.

The Committee recommends that the Council of Ministers adheres to the timelines for the presentation of the budget to the Assembly.

2. The delayed and non-remittance of funds by some of the Partner States negatively impacted the implementation of the planned programs/activities by the EAC Organs and Institutions in FY 2021/20.
3. Despite the earlier recommendations of the Assembly to the Council of Ministers to initiate sanctions against the Republic of South Sudan and the Republic of Burundi for failure to honour their financial obligations to the Community in time, no action has

been taken to-date. The indifference of the Council on this matter clearly undermines the integration efforts.

4. The Committee noted that there was a six percent reduction (-6%) in the Partner States' contribution towards the EAC Budget for the FY 2020/2021. In FY 2019/2020, the total contribution from Partner States amounted to USD 49,791,446, with each Partner State contributing USD 8,298,574 while in FY 2020/2021; total contribution is expected to be USD 46,896,320, with each Partner State contributing USD 7,816,053. Therefore, the total contribution from Partner States towards the EAC Budget is expected to be reduced by USD 2,895,124.
5. It was noted that the Secretariat proposed to the Council of Ministers to increase the contribution of each Partner State towards the 2020/2021 budget from USD 8,298,574 to USD 8,955,985, representing an 8% increase. To make the matters worse, instead of adopting the proposal made by the Secretariat, the Council took a decision to reduce the contribution of each Partner State as indicated in (iii) above.
6. It is ironical that, at a time when the Community is growing geographically and institutionally, the Council opted to take a decision to reduce the financial contribution of Partner States towards the EAC budget without any justification. The Committee questions the rationale for the continued creation of more EAC institutions by the Council without the corresponding increase in the Partner States' funding to the Community.

The Committee recommends that:

- i. The Assembly reinstates the contribution of each Partner State to the EAC Budget in FY 2020/21 to a total sum of USD 8,298,574 as it were in FY 2019/20. This will enable the Community to raise an additional USD 2,895,124 to fund some of the unfunded priorities.***
 - ii. The Council urges the Partner States to initiate supplementary budgets for provide for additional funding to the EAC budget amounting to USD 2,895,124.***
 - iii. The Council expedites the finalization of a sustainable financing mechanism of the Community.***
 - iv. The Council puts on hold the creation of more EAC institutions until a sustainable financing mechanism is put in place.***
7. A review of the budget estimates further revealed that, whereas the rest of the EAC Organs and institutions had a 6% reduction in their budgets by 6% or zero percent increase, the budget of the Assembly was significantly reduced by 12%. The Committee considers this a drastic decision that is aimed at crippling the operations of the Assembly, and further making it irrelevant to the people of East Africa. The

Committee was baffled to learn that the Council of Minister never even bothered to inform the leadership of the Assembly as to why such a decision was made.

The Committee reiterates its recommendation that the six plenary sessions of the Assembly be reinstated with the corresponding budget.

8. During the Extra-Ordinary Meeting of the Council of Ministers held on 4th August 2020, the Council expressed displeasure over the accumulated bill of EALA which arose from the activities carried out between the months of March – June 2020. As a result, the Council directed the Assembly not to undertake any activities before securing the requisite funds. According to Article 14(3)(c) of Treaty, in the exercise of its functions, the Council cannot give directions to, among others, the Assembly. The Committee considers this an attempt by some technocrats at the EAC Secretariat to undermine the Assembly, and the Council directive was made in bad faith. Interestingly, it's the same Secretariat and Council that mounted pressure on the Assembly to convene and pass the vote-on-account and the budget before securing the necessary funds.

The Assembly would like to reaffirm that it will endeavor to implement its planned activities as per the approved budget of the Community, and shall never abide by the above Council directive.

9. The Committee noted that arising from Ref Appeal no. 2 of 2017; ref no.14 of 2014, the former Speaker of EALA Hon. Margaret Zziwa accordingly awarded her costs. According to the certificate of taxation of costs issued by the Registrar of EACJ on the 19th of June 2020, the costs payable to Rt. Hon. Margret Zziwa amounts to USD 358,837.66. The Committee was further informed that the Community also owes Rt. Hon. Hon. Margaret Zziwa retirement benefits amounting to 64,450, which is yet to be verified by the Office of the Clerk.

The Committee recommends that:

- i. A total sum of USD 358,837.66 that the Community owes Hon. Margaret Zziwa arising out of Ref Appeal no. 2 of 2017; ref no.14 of 2014 be drawn from the General Reserve and be paid to her in FY 2020/21.***
- ii. The Office of the Clerk verifies the retirement benefits that the Community owes Hon. Margaret Zziwa and a supplementary budget request be initiated to that effect.***

10. Arising from the recommendations herein, in addition to funds identified by the Council, the EAC Budget for the FY 2020/2021 will attract additional funding from the General Reserve Fund amounting to USD 4,135,557 (to cater for arrears, consideration of the 2020/2021 budget, costs arising from suit of Hon. Zziwa, upgrade of VC, additional days for Court sessions and emoluments for aides to Persons with Disabilities) and an

additional USD 2,895,124 being contributions from Partner States (after reinstating the contribution of each Partner to USD 8,298,574 as it were in FY 2019/20).

8.0. CONCLUSION

The Committee hereby recommends that the Assembly considers and approves the EAC Estimates of Revenue and Expenditure amounting to **USD 104,063,020** for FY 2020/21 as follows:

Vote	Organ or Institution of the Community	Amount in US Dollars
001	EAC Secretariat	48,418,301
002	East African Legislative Assembly (EALA)	23,067,137
003	East African Court of Justice (EACJ)	4,198,406
004	Lake Victoria Basin Commission (LVBC)	8,380,057
005	East African Science and Technology Commission (EASTCO)	1,536,751
006	East African Kiswahili Commission (EAKC)	1,399,318
007	East African Health Research Commission (EAHRC)	1,879,600
008	East African Competition Authority (EACA)	1,128,240
009	Inter-University Council for East Africa (IUCEA)	10,977,276
010	Lake Victoria Fisheries Organization (LVFO)	3,077,934
	TOTAL	104,063,020

A SCHEDULE FOR RATIONALIZATION/REALLOCATION OF USD 518,050

SN	ACTIVITY CODE	ACTIVITY DESCRIPTION	AMOUNT REALLOCATED	OFFICE AND AMOUNT REALLOCATED TO IT
1. OFFICE OF THE SECRETARY GENERAL				
	M5S18T010501S01	To participate in the in the three (3) EALA plenary sessions (SG with the Protocol officer and 1 Secretary outside Arusha) Page 12 of 271 of MTEF	37, 500 USD. Justification; Plenary sessions will be held in Arusha and this will not require any travels by SG and Protocol officer	EACJ: Activity Code: M5S01T0601S02 To hold Court sessions

2. OFFICE OF THE DEPUTY SECRETARY GENERAL FINANCE AND ADMINISTRATION

M5S09T1903S04	To facilitate the staff of HR department to attend professional forums	23, 200 USD. Justification: Not a very urgent priority compared to clearing case backlog	Resource Mobilisation, Activity Code: M5S04T0102S02 To conduct donor Missions to existing and potential donors/development partners
M5S09T1904S02	To organize annual retreat for staff get together and team building	50,600 USD Justification: Convening a retreat for all EAC staff under covid-19 is not feasible	EACJ: Activity Code M5S01T0601S02 To hold Court sessions
M5S10T2401SO9	To procure two vehicles for the two DSGs	100.000 USD Justification: The vehicles being used currently are in good shape. Besides, buying luxury vehicles is not a very urgent priority.	Office of the CTC (USD 63,030) Activity Codes: M5S013T0202S01 and M5S013T0202S02 Resource Mobilization(USD 36,970), Activity Code: M5S04T0102S02 To conduct donor Missions to existing and potential donors/development partners
M5S09T1903S02	Induction programme for new staff M5S09T1903	1,200	ICT, Activity Code: M5S24T2406S07 To upgrade the VC and implement ICT security to ICT systems and

				network security services
M5S09T1703S01	To organize quarterly meetings of the Adhoc	58,000 Justification: The legal status of the Adhoc Service Commission is being contested in Court. Besides, the Council is still divided on this matter		EACJ: Activity Code M5S01T0601S02 To hold Court sessions
M5S09T1904S01	To coordinate EAC staff welfare services for the promotion of health, safety and wellness in workplace	44,000 Justification: the expenditure is on non-essential items like tea, gifts		ICT, Activity Code: M5S24T2406S07 To upgrade the VC and implement ICT security to ICT systems and network security services
M5S09T1705S01	To develop and implement and implement EAC change management strategy for the smooth implementation of institutional review	25,500 This is not a priority since it has been funded for more than two years back.		Gender, Com Development and Civil So Activity Code: M2R12T0501C01 To convene a meeting of stakeholder to develop and consider draft policy framework on social protection
M5S10T2301S13	To value the assets of EAC secretariat, EACJ and EALA and procure furniture for SecretariatM5S10T	47,500 Rationalized to 27,500 USD(USD 20,000 to be reallocated) Purchase of furniture cannot be a priority during this time of financial distress		Gender, Com Development and Civil So (USD 20,000) Activity Code: M2R12T0501C01 To convene a meeting of stakeholder to develop and consider draft policy framework on social protection

	M5S10T2301S16	To maintain office equipment and other facilities at the EAC headquarters.	43,500 USD No explanation was given to the Committee	ICT, Activity Code: M5S24T2406S07 To upgrade the VC and implement ICT security to ICT systems and network security services.
EAST AFRICAN LEGISLATIVE ASSEMBLY				
	M5S15T0301S01	To organize the annual inter-parliamentary meetings	169,300 USD Duplication of activities, this particular item is already budgeted for in the office of the Speaker.	EALA: Replace the activity description with the following: To enhance linkages with EAC national Parliaments and to facilitate Committee Chairpersons and EALA Commission

Mr. Speaker Sir, I beg to report.